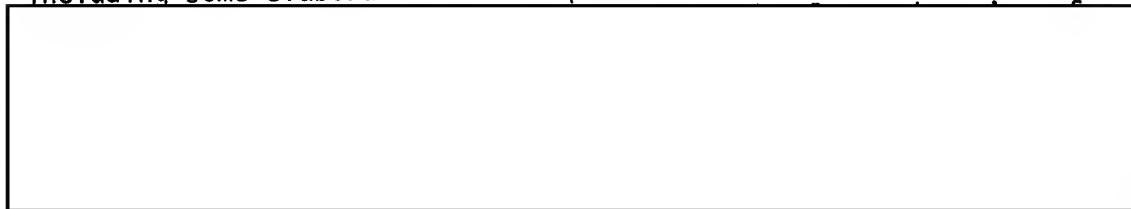16 April 1974

MEMORANDUM FOR: DCI

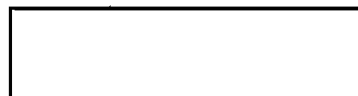SUBJECT: Tomorrow's Meeting the Director, OMB Et Al

Bill:

1. The purpose of this meeting is to discuss the status of objectives established last year. The attached addresses that question.

2. The obvious preoccupation, however, of OMB these days is with the Presidential objectives for FY 75 and beyond. They will probably outline a schedule which they have already discussed with us. Your commitment to meeting that schedule should largely be focused on when your objectives will be required for forwarding to the President, leaving the in-between dates for negotiation between the IC Staff and the OMB staff.

3. For your information, we are proceeding on FY 75 objectives in the following scenario:

     a. Restate succinctly the President's objectives as contained in his direction of 22 March;

     b. Define substantive intelligence objectives which you, as DCI, wish to advise the President are driving the community's tasks and plans; and

     c. Identify FY 75 objectives to fulfill a. and b. above, including some elaboration on the process involved; e.g.,

25X1

4. It is our view that the IC would draw up a strawman in the next week or so which you can table with USIB principals and/or IRAC.

AD/DCI/IC

25X1

ATTACHMENT:
  Briefing Book for
  OMB Meeting, 17 April

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DCI/IC 74-1001

STATUS REPORT ON

DCI'S OBJECTIVES FOR THE INTELLIGENCE COMMUNITY

FY 1974

prepared by the IC Staff

16 April 1974

25X

Objective A: The responsiveness of the U.S. foreign intelligence
               effort with respect to national requirements must be
               subject to continuing review and the quality, scope and
               timeliness of the community's product must be improved.

To meet these objectives, I plan to do the following regarding the
National Intelligence Product:

See Tab B   --   [As reported in December, this replaces the first and
for December   third tasks listed in the original Objectives paper.]
Status Report   through review of the response to Key Intelligence Questions
                        coordinated with the NSCIC and other users, determine the
                        community's performance in responding to users' needs.

                   --   identify questions and establish evaluation procedures
                        by 4 January 1974.

                        <u>STATUS</u>:   The Key Intelligence Questions for FY 1974,
                                  developed in coordination with the NSCIC and
                                  other users of intelligence, were distributed
                                  to USIB Principals on 10 January. The KIQs
                                  Evaluation Process (KEP) was initiated on
                                  13 February. Twelve KIQs were identified for
                                  the initial performance period (1 March to
                                  1 September 1974) which will be essentially a
                                  pilot run.

                   --   review collection and processing posture, production and
                        analytical posture, and consumer satisfaction with
                        products (July - September 1974).

                        <u>STATUS</u>:   The NIOs, the production agencies (CIA, DIA,
                                  and INR/State), and the USIB Committees
                                  on SIGINT, Human Sources and COMIREX are
                                  making the reviews required for completion
                                  of the Baseline Reports for each of the 12 KIQs.
                                  These Baseline Reports will show what we know
                                  now, what we want to know, and how we expect to
                                  get it. Completion of these reports is expected soon.

                                  At the close of the performance period on
                                  1 September, these same groups will make a
                                  second review, which will result in a Performance
                                  Report for each of the 12 KIQs. The Performance
                                  Report will show what we learned, what we still
                                  don't know, how our expectations compared with
                                  our performance, the level of effort required
                                  and an assessment of how well the effort satisfied
                                  consumer needs. Completion of the Performance

Reports is scheduled for 1 October, with an
interim assessment planned for June.

In addition to the KEP, the NIOs and the
IC Staff are giving particular attention to
the KIQs in their regular evaluation efforts.

-- achieve significant improvements in product formats and
production procedures to increase responsiveness early
in 1974.

STATUS: The improvements in product formats and production
procedures reported in December (the NID, the
discontinuance of the Black CIB and other CIA
current intelligence publications, the creation
of the NIAM), have been followed by two significant
improvements. First, USIB has approved implementa-
tion of the first of the "Family of National Products."
Entitled the National Intelligence Bulletin (NIB),
this product will replace the CIB. Its principal
features are its emphasis on intelligence matters of
specific interest to consumers of national intelli-
gence, its ability to handle original articles sub-
mitted by the principal intelligence production
agencies for publication; and the opportunity it
provides for these agencies to state their dissenting
view.

Second, efforts to create better means of communication--
particularly in times of crisis -- between the various
agencies and appropriate operational components of
the government have resulted in the establishment
and testing of a secure voice conferencing system
linking the alert centers and watch officers in the
White House, State, CIA, DIA, NSA, and the NMCC.
Called NOIWON, this net provides for the timely
reporting of events to all interested agencies and
also enables any agency to simultaneously query all
other parties for amplifying data on any incident.
It also provides for the use of a special Bulletin
to facilitate the dissemination of information or
queries. USIB approval was given on 11 April to make
NOIWON officially operational.

*National Operations &
Intelligence Watch
Officers Net*

In addition to these actions, a text-editing system
(CONTEXT) is being set up in an experimental mode
in an effort to facilitate the production of joint
community papers and periodicals.

2

Objective B: Authoritative and responsible leadership for the community as a whole must be assured.

To meet this community leadership goal, I will:

-- issue specific planning objectives shortly to the elements of the community;

> STATUS: The DCI's Key Intelligence Questions for FY 1974, issued in January 1974, constitute substantive objectives for the community in the field of intelligence production.

EXAMPLES
R&D Council
COMIREX T-KH compart-
mentation study

25X1

IRAC Quarterly Reviews
Community training study
Program issue studies
COINS study

See Tab C for IRAC
Mgmt Objectives

National Foreign Intelligence Program Management Objectives for FY 1974 were approved in December 1973 and issued to IRAC. Considerable work is underway against the assigned tasks and the IRAC Working Group is currently conducting a re-examination and restatement of the objectives.

The initial "DCI's Perspective of the Intelligence Environment," describing trends in the world situation and identifying the primary intelligence problems (disseminated in September 1973) is being redrafted for dissemination in May 1974. Part I, "Trends in the World Situation," is being updated, and work is underway to identify a basic set of key intelligence questions applicable to the future. Directive actions needed to deal with anticipated collection, processing, analysis and production problems will be derived from these questions.

-- complete the restructuring and strengthening of my personal staff by October 15, 1973 to provide me independent support in community matters;

> STATUS: Completed. The restructuring of the IC Staff and the establishment of the National Intelligence Officers (NIOS) were reported at the December meeting.

-- participate actively in the NSCIC and insure that IRAC and USIB have a dynamic and forceful role in the community;

> STATUS: No meetings of the NSCIC have been held, but the DCI has utilized the NSCIC through correspondence with the members. The NSCIC members, for instance, made inputs to the DCI's "Key Intelligence Questions for FY 1974" and have been requested to approve the final document. Other recent correspondence with NSCIC members dealt with actions to control damaging security leaks.

See page 5

A report on IRAC activities appears under Objective
C.

The USIB has been active in providing guidance to the
community, through the Key Intelligence Questions
and DCID 1/2, "U.S. Foreign Intelligence
Priorities." Specific policy guidance was issued
for "Modification of Security Controls for the
Products of Photographic Reconnaissance Satellites,"
and "Communications Intelligence Security Regulations."
Other USIB actions are noted in connection with the
Middle East Post-Mortem and the National Family of
Products. Since September 1973, USIB has met to consider
a total of 95 intelligence subjects, including 18
estimates,covering a wide range of concerns and prospects
of major interest to policymakers.

-- review the USIB committee structure before the end of 1973
and direct, if necessary, changes to increase USIB effectiveness
in advising me on national requirements;

STATUS: Complete review of the USIB Committee structure was
accomplished by the Intelligence Community Staff in
1973 but action on the study recommendations was
deferred so that the NIO structure could become fully
operational and consideration could be given to an
optimum NIO-USIB Committee interface. In the meantime,
new charters have been prepared for the USIB Security
Committee and the USIB Human Sources Committee, and
proposals to restructure the USIB SIGINT and Scientific
Intelligence Committees are being examined.

-- review programs to upgrade the quality of intelligence personnel
and improve personnel management in the community.

STATUS: A survey of the community's training programs is
underway, and a number of proposals have been made
concerning the improvement of curricula and the
consolidation of facilities. Explorations are also
underway to provide intelligence personnel--especially
analysts and collectors--with better and broader
on-the-job training. An inventory of research in
substantive fields and analytical methodologies is
being compiled as an aid in determining community
needs and assuring the widest possible utilization
of the research product. Major emphasis is being
placed on the application of research to the real
needs of intelligence analysts.

Objective C: A more efficient use of resources by the community in
               the collection of intelligence information must be
               achieved. Utilization of the means available must be
               in consonance with approved requirements of U.S.
               security and national interests.

To meet this goal I will, with respect to National Foreign Intelligence
Budget Recommendations:

-- continue to support the President's intelligence budget
   for FY 1974 before Congress;

      STATUS: Action completed. Reported to OMB at December 1973
               meeting.

-- develop for FY 1975 and beyond National Foreign Intelligence
   Budget Recommendations. These will result from the review
   procedure of the various intelligence entities and the total review
   and deliberations of the IRAC on the programs therein. The
   National Foreign Intelligence Budget Recommendations will be my
   personal recommendation to the President on the level of
   national intelligence resources, their utilization and performance;

      STATUS: The DCI's National Foreign Intelligence Budget
               Recommendations for FY 1975 were forwarded to the
               President through OMB on 19 December 1973. Defense
               program and fiscal guidance has been issued and
               program managers are in the process of developing
               their FY 1976-80 programs.

-- institute a quarterly review by the IRAC of resource
   utilization by all intelligence entities;

      STATUS: The first Quarterly Reviews by IRAC were held
               on 6 March and covered only NSA and CIA budget
               execution through the first two quarters of
               FY 1974. Reports from DIA and perhaps NRO
               will be given at a later IRAC meeting, possible
               in late April. Procedures to be followed and
               formats for these presentations are still evolving.

               Separately, the IRAC Working Group has three efforts
               underway: (1) monitoring the progress and fiscal
               impact of selected ongoing or planned issue studies
               in the community; (2) developing a concept for cross-
               program resource packages to afford a different means
               of examining and evaluating resource effectiveness;
               and (3) a reexamination and restatement of IRAC
               management objectives. Some of these actions will
               be reported to the next IRAC, probably in late
               April.

5

-- with the advice of IRAC and USIB, define and complete,
throughout FY 1974, a series of major program issue studies.

STATUS: A series of 20 to 30 program issues have been
identified for community attention during 1974.
Some of these are currently under active study with
completion dates set, and others will be assigned
and initiated in the near future with completion
dates set between now and program review (July).
The IRAC Working Group is taking cognizance of
and monitoring the progress of these actions.

*SEE TAB D for
list of program
issue studies*

To meet this goal I will, with respect to Research & Development:

-- form an R&D Advisory Council as a subcommittee of IRAC by
mid-October 1973.

STATUS: An Intelligence Research and Development Council
has been established under the chairmanship of
Dr. Malcolm R. Currie, Director, Defense Research
and Engineering. The Council held its first
meeting on 18 December. Members include R&D
representatives of all intelligence organizations,
the Assistant Secretaries for R&D of the Military
Services, the Director, ARPA, and the Director,
DR&E.

-- instruct the Council to review all R&D activities within the
National Intelligence Program to identify ongoing R&D efforts,
their costs, their purpose, and who has responsibility for
each effort.

See Tab C: A.2.

STATUS: An IRAC Management Objective addressing this task
was approved by the DCI in December and action
assigned to the R&D Council.

*See Tab E for 26 March
R&D Report*

As reported by Dr. Currie to the Chairman, IRAC,
in his Quarterly Status Report of 26 March, a
review of all intelligence-related R&D programs
is underway aimed at identifying technology gaps and
opportunity areas which hold promise for solution
of these gaps. The Council expects to complete
this review by the end of the next quarter and
will report to IRAC on its findings and recommendations.

The basic objectives of the R&D Council are to
coordinate and share the RDT&E programs of the
members to insure minimum overlap and duplication,
and a maximum of cross-program technology application.

-- instruct the Council to recommend by January 1, 1974 an overall R&D strategy and structure for IRAC consideration based on a clear perception of intelligence needs which identifies technological gaps and resource deficiences, eliminates unnecessary duplication of effort, and stresses cross-program technology transference.

STATUS: As reported in December, this task was eliminated as redundant.

Objective D: Assignment of intelligence functions within the
              community must be reviewed and revised to eliminate
              inefficient, unnecessary or outmoded activities.
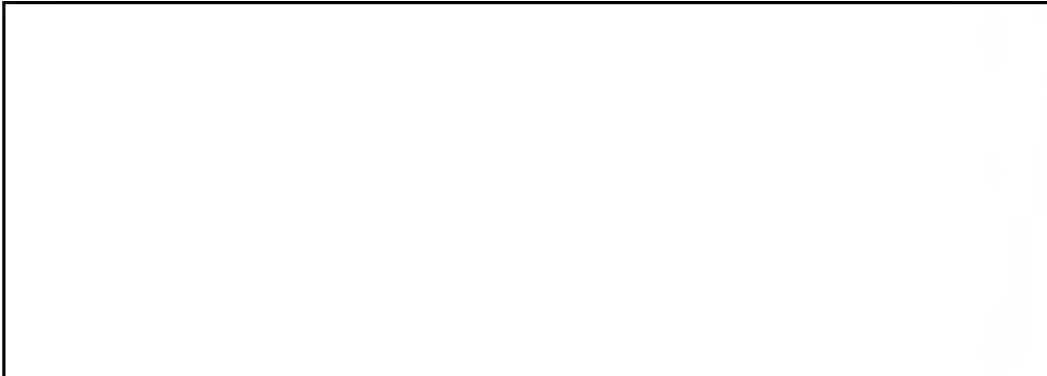

To meet this goal I will, with respect to Measures of Intelligence
Worth:

-- Undertake specific studies to evaluate the intelligence
   product and its worth to the consumer and eliminate
   intelligence collection and production effort of marginal
   usefulness;

   STATUS: It is expected that the results of the KIQs Evaluation
            Process will respond directly to this task.

            In addition, one specific result of some of the major issue
            studies noted under Objective C will be to provide
            information on the relative substantive and technical value
            of various collection systems for a wide variety of tasks.
            Specific Key Intelligence Questions Evaluations
            can then be addressed, using the study data for a
            yardstick. This work will directly relate to the
            DCI's capability to determine the relative worth
            of a number of collection and processing systems.

25X

-- undertake selective review during the next 18 months of the
   following in order to better rationalize the division of labor
   and increase the number of services of common concern performed
   within the community;

   -- indications and warning intelligence

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25X

In addition a number of papers are being developed which will offer proposals for changes in community concepts and practices, based in large part on lessons learned during the Middle East crisis, and addressing such topics as alert systems, joint crisis reporting and challenge procedures. Also underway is a study which is examining ways in which the community's overall collection effort might be adjusted to cope more effectively with the demands of crises and the needs of national consumers.

-- ELINT processing and exploitation

STATUS: A Scientific Intelligence Data Flow study was completed in December, chaired by ASD(I). Recommendations were made which should significantly improve the timeliness of scientific and technical ELINT and telemetry data to support analysis. The study group will be reconvened by ASD(I) in June or July to review progress. The IC Staff is monitoring this effort.

25X

A community-wide review of telemetry processing requirements and capabilities in the 1975-1980 time frame is nearing completion. The IRAC Working Group was briefed on the study at its most recent meeting (12 April) and the SIGINT Committee will also be briefed. The study, due for completion in about two weeks, will clarify out-year technical and resource issues and assist in the development of future programs.

9

-- current intelligence reporting

STATUS: Much of the work reported in connection with
indications and warning intelligence also
responds to this task.

The NIOs and other elements of the community,
in cooperation with the IC Staff, have been
charged to find ways and means to serve more
effectively.

*Part of recommendations
contained in Preliminary
Post-Mortem Report*

CIA/DDO has been instructed to seek ways to provide
less cryptic data concerning the reliability of
sources and reports, to provide better evaluations
on contents, and to increase contacts with community
analyts.

NSA and NPIC have been asked to explore ways to
highlight items and patterns drawn from their own
products. The IC Staff is consulting with these
offices and will prepare further specific recommendaions.

The NIOs have been charged with making regular
review of NIEs and SNIEs on subjects within their
areas of responsibilities to determine if updated
and revised versions should be issued.

-- HUMINT operations and foreign service reporting

STATUS: A comprehensive review of the USIB committee
structure dealing with HUMINT matters has been
made and a coordinated proposal for the establishment
of a permanent USIB Human Sources Committee with
a broad charter to guide and evaluate HUMINT
collection and to act as a focal point for the
examination of HUMINT problems is in preparation.

25X

-- explore and, where necessary, increase the usefulness of the
intelligence product to Net Assessment producers and consumers.

STATUS: The IC Staff is maintaining contact with the Department
of Defense, via the Special Assistant to the Secretary
of Defense for Net Assessments, concerning efforts

*This may have been
dropped at Dec. meeting*

to reach agreement on how the DCI can best exercise his
leadership to provide a community response to requirements
for intelligence contributions to net assessments.

To meet this goal I will, with respect to Tactical Intelligence:

-- submit a report in the third quarter of FY 1974 on the national/tactical intelligence interface. As a basis for this report I will,

    -- ask the Department of Defense and the Joint Chiefs of Staffs to review the requirements for intelligence assets in place with the military forces, and identify support which could be provided to the military forces from national assets;

    STATUS: The first phase of the JCS study being conducted in cooperation with the DCI has been completed *has been red-striped* and has just been approved by the Chairman, JCS. This phase identifies elements of military organizations that are intelligence associated and that may have a role to play in satisfying national intelligence requirements.

    The second phase of the study, which will examine tactical and national intelligence capabilities to satisfy tactical as well as national requirements was initiated 15 April.

-- determine, with the assistance of program managers, the contribution which can be made to the national intelligence effort by the in-place assets of the military forces, and identify the kinds and amounts of data from national assets which can be provided in a timely and usable form to military force commanders;

-- formulate recommendations in consultation with the Secretary of Defense by early in 1974 to insure that the needs of national intelligence and of military operations are met and to avoid unnecessary overlap or duplication in the national and tactical areas.
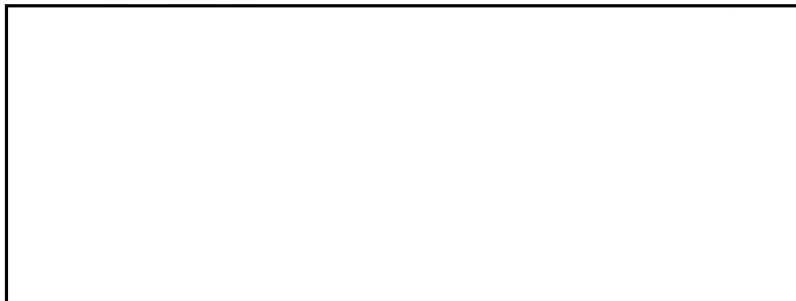
    STATUS: Since these three sub-tasks are sequential, actions of the second and third tasks must await completion of task 1.

    Other actions responding to this objective have been taken, however.

    The DCI has presented the tactical information for warning, reconnaissance and ocean surveillance, as defined by DOD, to the oversight committees of Congress and it is integral to his presentation on the FY 1975 community budget to the Appropriations Committees.

25X

NOTE FOR DCI: *You may wish to say something about your intention to become more personally involved in the substantive process of the tactical intelligence budget.*

Objective E: The provision of intelligence and its utilization must
enhance the formulation of the foreign, military and
economic policies of the U.S. Government and the planning
for and conduct of military operations by U.S. forces.

To meet this goal I will, with respect to Consumer Needs:

-- implement a procedures with USIB whereby requirements for
collection and production of intelligence are kept under
continuing review. Provision will be made for the introduction
of new requirements as needed and for elimination of those which
become out-of-date.

    STATUS: The National Intelligence Officers have been
established to maintain liaison with customers,
identify consumer needs, and provide responsive
community-coordinated products.

           The KIQs and the KEP also respond directly to
this objective.

           Additionally, on 14 March 1974 USIB concurred in
the promulgation of a revised Attachment to DCID 1/2,
"U.S. Foreign Intelligence Priorities," intended to
serve as basic substantive guidance for the period
FY 1975-1979 for planning and programming the overall
U.S. foreign positive intelligence effort.

To meet this goal I will, with respect to Military Intelligence:

-- have the Department of Defense identify by November 1, 1973
the ten or so highest priority needs in the field of technical
intelligence required by their planners;

    STATUS: Inasmuch as the Key Intelligence Questions reflect the key
concerns of the DOD, as expressed by NSCIC members, they
are considered to respond to this task. In addition,
the IC Staff is working with the R&D Council to identify
singular areas requiring technical assessment where
intelligence support to R&D decision can be improved.
However, progress to date has been slow.

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    STATUS: The NIOs and USIB have research underway on these objectives
and numerous tangential activities such as the MC-161
exercise have been given analytical support. The inclusion
of specific questions in the KIQs will insure priority
attention in collection and production activities. The
appointment of NIOs for Strategic Programs and Conventional
Forces will assure that requirements for national intelligence

To meet this goal I will, with respect to Economic Intelligence:

-- identify during the second quarter of FY 1974 the
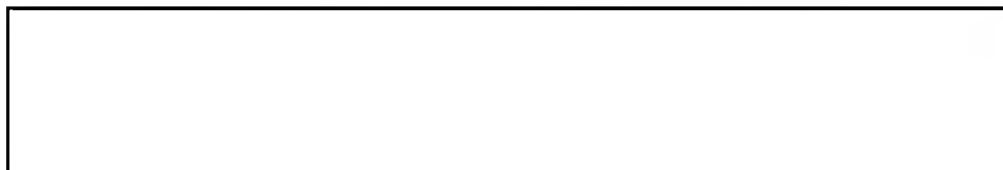current needs of the users of foreign economic intelligence;

STATUS: The key needs of users of foreign economic intelligence
have been incorporated in the Key Intelligence Questions
for FY 1974. In addition, the economic topics and
priorities contained in the revised Attachment to
DCID 1/2 of 14 March 1974 were largely developed by
a special sub-group of the USIB Economic Intelligence
Committee and reflect the increased importance
assigned to economic intelligence by policymakers.

-- determine, in coordination with other Federal agencies,
what contribution the intelligence community can make in
this area;

STATUS: Under Secretary of the Treasury Volcker has been
appointed to represent the economic community on
the NSCIC. An NIO for Economics has recently been
appointed.

Rejuvenation of the Requirements Advisory Board (RAB),
as suggested by Mr. Cherne of PFIAB, is being proposed
as part of the comprehensive program which has been
developed for the DCI by the IC Staff, responding to
all economic tasks.

Two of the 12 KIQs currently being evaluated
are economic topics relating to the energy problem.

25

-- Determine appropriate resource levels and, through USIB,
assign responsibilities for collection and production in
this area;

25

-- provide for implementation of this program by the end of
   the third quarter of FY 1974.

   STATUS: The comprehensive economic program proposal has
           been coordinated with CIA's Director of Economic
           Research, and discussed with the NIO for Economics.
           It is currently being typed and should be ready
           for the DCI's consideration very soon.

           In addition to responding to the community objectives,
           the plan also responds to the recommendations of
           the PFIAB reports on economic intelligence of
           December 1971 and December 1973.

           After DCI approval, the plan will be coordinated
           with the PFIAB, at its request, before formal
           dissemination is made.

To meet this goal I will, with respect to Narcotics and Terrorism:

-- in coordination with other Federal agencies, identify the needs for foreign intelligence in these areas, and match the unique capabilities of the intelligence community to those needs;

-- determine by January 1, 1974 the appropriate assignment of responsibilities and the resource levels which the community should devote to these problems.

STATUS: The increased importance of intelligence on illicit narcotics traffic and international terrorism is reflected in the revised Attachment to DCID 1/2, and in the Key Intelligence Questions for FY 1974. Comprehensive narcotics intelligence requirements have been disseminated to appropriate US missions overseas by the Cabinet Committee on International Narcotics Control (CCINC).

25

CIA bears primary responsibility for providing intelligence support to the Cabinet Committee Working Group on International Terrorism and disseminating materials as appropriate to US missions overseas and to 97 foreign security and intelligence services. Support from the US intelligence community has contributed directly to the thwarting of at least eight specific terrorist operations involving non-US targets, and indirectly to countering an undetermined but certainly far larger number.

16

MEMORANDUM FOR:

Dec 1973 Status
Report on Objectives.
you are supposed to have
copy 7 of the MOR ol
the meeting —
J-0030-73(I)
_____
(DATE)

Next 9 Page(s) In Document Exempt

DCI/IC 74-1001/1

1 2 APR 1974

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Status Report on DCI's Objectives
for the Intelligence Community

Bill:

X1
ATINTL

    1. [   ] has pulled together a status report for
your use with [   ] The meeting is scheduled
for 1400 hours on next Wednesday, 17 April, in your conference room.
General Graham and I will attend, along with [   ] and   25X

X1
    [   ]

    2. The purpose of this meeting is to discuss the DCI objectives
in the community context. The OMB representatives will also probably
elaborate on the letter you received from the President, dated
22 March, and may discuss the time schedule for developing the
FY 75 objectives. At the moment, the meeting to discuss that subject
is established for 22 May with the same group.

    3. Please advise if there are any changes you wish to make
in the paper. I recommend you authorize release of the paper to
OMB for the record some time after the meeting.

SIGNED

[   ]   25X
AD/DCI/IC

Attachment
  Status Report

X1
DCI/IC/[   ] VDM 11 April 74
Distribution:
  orig - addressee w/attachment
     1 - ER
     1 - IC Registry
     1 - AD/DCI/IC
     1 - CS subject
     1 - CS chrono
     1 - VDM chrono
     1 - each Group Chief

5X1
[   ]

DCI/IC 74-1001

STATUS REPORT ON

DCI'S OBJECTIVES FOR THE INTELLIGENCE COMMUNITY

FY 1974

prepared by the IC Staff

10 April 1974

25X

Objective A: The responsiveness of the U.S. foreign intelligence
effort with respect to national requirements must be
subject to continuing review and the quality, scope and
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To meet these objectives, I plan to do the following regarding the
National Intelligence Product:

-- [As reported in December, this replaces the first and
third tasks listed in the original Objectives paper.]
through review of the response to Key Intelligence Questions
coordinated with the NSCIC and other users, determine the
community's performance in responding to users' needs.

  -- identify questions and establish evaluation procedures
  by 4 January 1974.

    STATUS: The Key Intelligence Questions for FY 1974,
    developed in coordination with the NSCIC and
    other users of intelligence, were distributed
    to USIB Principals on 10 January. The KIQs
    Evaluation Process (KEP) was initiated on
    13 February. Twelve KIQs were identified for
    the initial performance period (1 March to
    1 September 1974) which will be essentially a
    pilot run.

  -- review collection and processing posture, production and
  analytical posture, and consumer satisfaction with
  products (July - September 1974).

    STATUS: The KEP involves the comparison of information
    assembled at the beginning and end of the
    performance period. The initial Baseline Report
    shows what we know, what we want to know, and how
    we expect to get it. The final Performance Report
    shows what we learned, what we still don't know, how
    our expectations compare with our performance, the
    level of effort required, and an assessment of how
    well the effort satisifed consumers' needs.

1

Preparation of the Baseline Reports is
well underway. A due date of 1 October
for completion of the Performance Reports
has been set.

The KEP involves the efforts of the IC staff,
the NIOs, the intelligence production agencies
(CIA, DIA, and INR/State) and the USIB collection
committees (SIGINT, COMIREX, and Human Sources).

-- achieve significant improvements in product formats and
production procedures to increase responsiveness early
in 1974.

STATUS: The improvements in product formats and production
procedures reported in December (the NID, the
discontinuance of the Black CIB and other CIA
current intelligence publications, the creation
of the NIAM), have been followed by two significant
improvements. First, USIB has approved implementa-
tion of the first of the "Family of National Products."
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Second, efforts to create better means of communication--
particularly in times of crisis -- between the various
agencies and appropriate operational components of
the government have resulted in the establishment
and testing of a secure voice conferencing system
linking the alert centers and watch officers in the
White House, State, CIA, DIA, NSA, and the NMCC.
Called NOIWON, this net provides for the timely
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It also provides for the use of a special Bulletin
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In addition to these actions, a text-editing system
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Objective B: Authoritative and responsible leadership for the
              community as a whole must be assured.

To meet this community leadership goal, I will:

-- issue specific planning objectives shortly to the elements
   of the community;

    STATUS: The DCI's Key Intelligence Questions for FY 1974,
             issued in January 1974, constitute substantive
             objectives for the community in the field of
             intelligence production.

            National Foreign Intelligence Program Management
             Objectives for FY 1974 were approved in December
             1973 and issued to IRAC. Considerable work
             is underway against the assigned tasks and the
             IRAC Working Group is currently conducting a re-
             examination and restatement of the objectives.

            The initial "DCI's Perspective of the Intelligence
             Environment," describing trends in the world situation
             and identifying the primary intelligence problems
             (disseminated in September 1973) is being redrafted
             for dissemination in May 1974. Part I, "Trends in the
             World Situation," has been updated and a Part II on
             "Intelligence Priorities" added. Part III, entitled
             "The Intelligence Imperatives," puts its primary focus
             on directive actions to deal with anticipated collection,
             processing, analysis and production problems.

-- complete the restructuring and strengthening of my personal
   staff by October 15, 1973 to provide me independent support
   in community matters;

    STATUS: Completed. The restructuring of the IC Staff and
             the establishment of the National Intelligence
             Officers (NIOS) were reported at the December meeting.

-- participate actively in the NSCIC and insure that IRAC and USIB
   have a dynamic and forceful role in the community;

    STATUS: No meetings of the NSCIC have been held, but the DCI
             has utilized the NSCIC through correspondence with the
             members. The NSCIC members, for instance, made inputs to
             the DCI's "Key Intelligence Questions for FY 1974" and
             have been requested to approve the final document. Other
             recent correspondence with NSCIC members dealt with
             actions to control damaging security leaks.

A report on IRAC activities appears under Objective C.

The USIB has been active in providing guidance to the community, through the Key Intelligence Questions and DCID 1/2, "U.S. Foreign Intelligence Priorities." Specific policy guidance was issued for "Modification of Security Controls for the Products of Photographic Reconnaissance Satellites," and "Communications Intelligence Security Regulations." Other USIB actions are noted in connection with the Middle East Post-Mortem and the National Family of Products. Since September 1973, USIB has met to consider a total of 95 intelligence subjects, including 18 estimates,covering a wide range of concerns and prospects of major interest to policymakers.

-- review the USIB committee structure before the end of 1973 and direct, if necessary, changes to increase USIB effectiveness in advising me on national requirements;

STATUS: Complete review of the USIB Committee structure was accomplished by the Intelligence Community Staff in 1973 but action on the study recommendations was deferred so that the NIO structure could become fully operational and consideration could be given to an optimum NIO-USIB Committee interface. In the meantime, new charters have been prepared for the USIB Security Committee and the USIB Human Sources Committee, and proposals to restructure the USIB SIGINT and Scientific Intelligence Committees are being examined.

-- review programs to upgrade the quality of intelligence personnel and improve personnel management in the community.

STATUS: A survey of the community's training programs is underway, and a number of proposals have been made concerning the improvement of curricula and the consolidation of facilities. Explorations are also underway to provide intelligence personnel--especially analysts and collectors--with better and broader on-the-job training. An inventory of research in substantive fields and analytical methodologies is being compiled as an aid in determining community needs and assuring the widest possible utilization of the research product. Major emphasis is being placed on the application of research to the real needs of intelligence analysts.

Objective C: A more efficient use of resources by the community in
the collection of intelligence information must be
achieved. Utilization of the means available must be
in consonance with approved requirements of U.S.
security and national interests.

To meet this goal I will, with respect to National Foreign Intelligence
Budget Recommendations:

-- . continue to support the President's intelligence budget
for FY 1974 before Congress;

STATUS: Action completed. Reported to OMB at December 1973
meeting.

-- develop for FY 1975 and beyond National Foreign Intelligence
Budget Recommendations. These will result from the review
procedure of the various intelligence entities and the total review
and deliberations of the IRAC on the programs therein. The
National Foreign Intelligence Budget Recommendations will be my
personal recommendation to the President on the level of
national intelligence resources, their utilization and performance;

STATUS: The DCI's National Foreign Intelligence Budget
Recommendations for FY 1975 were forwarded to the
President through OMB on 19 December 1973. Defense
program and fiscal guidance has been issued and
program managers are in the process of developing
their FY 1976-80 programs.

-- institute a quarterly review by the IRAC of resource
utilization by all intelligence entities;

STATUS: The first Quarterly Reviews by IRAC were held
on 6 March and covered only NSA and CIA budget
execution through the first two quarters of
FY 1974. Reports from DIA and perhaps NRO
will be given at a later IRAC meeting, possible
in late April. Procedures to be followed and
formats for these presentations are still evolving.

Separately, the IRAC Working Group has three efforts
underway: (1) monitoring the progress and fiscal
impact of selected ongoing or planned issue studies
in the community; (2) developing a concept for cross-
program resource packages to afford a different means
of examining and evaluating resource effectiveness;
and (3) a reexamination and restatement of IRAC
management objectives. Some of these actions will
be reported to the next IRAC, probably in late
April.

-- with the advice of IRAC and the USIB, define and complete, throughout FY 1974, a series of major program issue studies.

STATUS: A series of 20 to 30 program issues have been identified for community attention during 1974. Some of these are currently under active study with completion dates set, and others will be assigned and initiated in the near future with completion dates set between now and program review (July). The IRAC Working Group is taking cognizance of and monitoring the progress of these actions.

To meet this goal I will, with respect to Research & Development:

-- form an R&D Advisory Council as a subcommittee of IRAC by mid-October 1973.

-- instruct the Council to review all R&D activities within the National Intelligence Program to identify ongoing R&D efforts, their costs, their purpose, and who has responsibility for each effort.

-- instruct the Council to recommend by January 1, 1974 an overall R&D strategy and structure for IRAC consideration based on a clear perception of intelligence needs which identifies technological gaps and resource deficiencies, eliminates unnecessary duplication of effort, and stresses cross-program technology transference.

STATUS: An Intelligence Research and Development Council has been established under the chairmanship of Dr. Malcolm R. Currie, Director, Defense Research and Engineering. Members include R&D representatives of all intelligence organizations, the Assistant Secretaries for R&D of the Military Services, the Director, ARPA, and the Director, DR&E.

A review of all individual R&D programs is underway aimed at identifying technology gaps and opportunity areas which hold promise for solution of these gaps. The Council expects to complete this review by the end of the next quarter and report to IRAC on its findings and recommendations.

The basic objectives of the R&D Council will be to coordinate and share the RDT&E programs of the members to insure minimum overlap and duplication, and a maximum of cross-program technology application.

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Objective D: Assignment of intelligence functions within the
              community must be reviewed and revised to eliminate
              inefficient, unnecessary or outmoded activities.

To meet this goal I will, with respect to Measures of Intelligence
Worth:

   -- Undertake specific studies to evaluate the intelligence
      product and its worth to the consumer and eliminate
      intelligence collection and production effort of marginal
      usefulness;

      STATUS: It is expected that the results of the KIQs Evaluation
               Process will respond directly to this task.

               In addition, one specific result of some of the major issue
               studies noted under Objective C will be to provide
               information on the relative substantive and technical value
               of various collection systems for a wide variety of tasks.
               Specific Key Intelligence Questions Evaluations
               can then be addressed, using the study data for a
               yardstick. This work will directly relate to the
               DCI's capability to determine the relative worth   25X
               of a number of collection and processing systems.
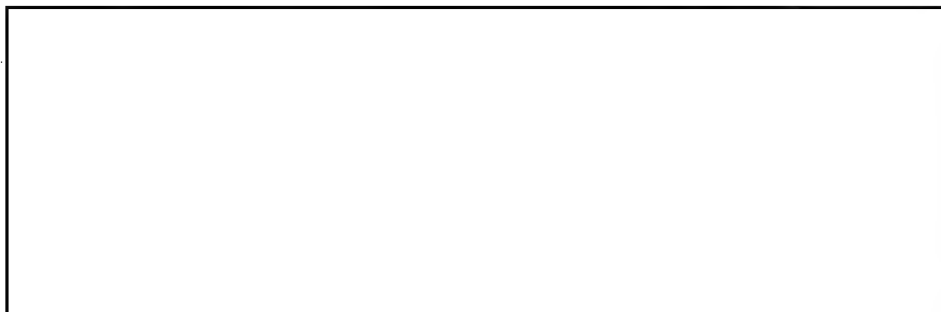
   -- undertake selective review during the next 18 months of the
      following in order to better rationalize the division of labor
      and increase the number of services of common concern performed
      within the community;

      --   indications and warning intelligence

                                                                         25X

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-- ELINT processing and exploitation

STATUS: A number of community studies have been completed
or are underway to review ELINT processing and
exploitation. A Scientific and Intelligence
Data Flow Study, chaired by ASD(I), was completed
in December and resulted in recommendations which
should significantly improve the timeliness of
scientific and technical ELINT and telemetry data
to support analysis. A community study, chaired
by DIA under the aegis of the Intelligence Community
Staff, is currently evaluating a new technique
for processing ELINT data.

-- current intelligence reporting

STATUS: Much of the work reported in connection with
indications and warning intelligence also responds
to this task.

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of contents, and to increase contacts with
community analysts. NSA and NPIC have been asked to
explore ways to highlight items and patterns
drawn from their own products. And the NIOs
have been tasked with implementing a variety of
new systems to help the analytical community improve
its product.

-- HUMINT operations and foreign service reporting

STATUS: A comprehensive review of the USIB committee
structure dealing with HUMINT matters has been
made and a coordinated proposal for the establishment
of a permanent USIB Human Sources Committee with
a broad charter to guide and evaluate HUMINT
collection and to act as a focal point for the
examination of HUMINT problems is in preparation.

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-- explore and, where necessary, increase the usefulness of the
intelligence product to Net Assessment producers and consumers.

STATUS: The IC Staff is maintaining contact with the Department
of Defense, via the Special Assistant to the Secretary
of Defense for Net Assessments, concerning efforts
to reach agreement on how the DCI can best exercise his
leadership to provide a community response to requirements
for intelligence contributions to net assessments.

To meet this goal I will, with respect to Tactical Intelligence:

-- submit a report in the third quarter of FY 1974 on the national/
tactical intelligence interface. As a basis for this report I
will,

-- ask the Department of Defense and the Joint Chiefs of Staff
to review the requirements for intelligence assets in place
with the military forces, and identify support which could
be provided to the military forces from national assets;

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--   formulate recommendations in consultation with the
     Secretary of Defense by early in 1974 to insure that the
     needs of national intelligence and of military operations
     are met and to avoid unnecessary overlap or duplication in
     the national and tactical areas.

STATUS: The first phase of the JCS study being conducted
         in cooperation with the DCI has been completed.
         This phase identified military organizations that
         are intelligence associated and that may have a role
         to play in satisfying national intelligence require-
         ments. The joint study is continuing to examine
         tactical and national intelligence capabilities
         to satisfy tactical as well as national requirements.

         The DCI has presented the tactical information for warning,
         reconnaissance and ocean surveillance, as defined by
         DOD, to the oversight committees of Congress and it
         is integral to his presentation on the FY 1975 community
         budget to the Appropriations Committees.

         Upon completion of the JCS study and in light of the
         22 March instruction from the President, the DCI intends to
         reach further into the tactical intelligence budget
         definitions, and steps are being taken to permit him
         to become more personally involved in the substantive
         process thereof.

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         Consideration is also being given to some form of DCI
         representation periodically in the major theaters so
         as to provide more direct information about the level
         and activities of the various intelligence organizations.

Objective E: The provision of intelligence and its utilization must
              enhance the formulation of the foreign, military and
              economic policies of the U.S. Government and the planning
              for and conduct of military operations by U.S. forces.

To meet this goal I will, with respect to Consumer Needs:

-- implement a procedures with USIB whereby requirements for
    collection and production of intelligence are kept under
    continuing review. Provision will be made for the introduction
    of new requirements as needed and for elimination of those which
    become out-of-date.

    STATUS: The National Intelligence Officers have been
             established to maintain liaison with customers,
             identify consumer needs, and provide responsive
             community-coordinated products.

             The KIQs and the KEP also respond directly to
             this objective.

             Additionally, on 14 March 1974 USIB concurred in
             the promulgation of a revised Attachment to DCID 1/2,
             "U.S. Foreign Intelligence Priorities," intended to
             serve as basic substantive guidance for the period
             FY 1975-1979 for planning and programming the overall
             U.S. foreign positive intelligence effort.

To meet this goal I will, with respect to Military Intelligence:

-- have the Department of Defense identify by November 1, 1973
    the ten or so highest priority needs in the field of technical
    intelligence required by their planners;

    STATUS: Inasmuch as the Key Intelligence Questions reflect the key
             concerns of the DOD, as expressed by NSCIC members, they
             are considered to respond to this task. In addition,
             the IC Staff is working with the R&D Council to identify
             singular areas requiring technical assessment where
             intelligence support to R&D decision can be improved.
             However, progress to date has been slow.

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    STATUS: The NIOs and USIB have research underway on these objectives
             and numerous tangential activities such as the MC-161
             exercise have been given analytical support. The inclusion
             of specific questions in the KIQs will insure priority
             attention in collection and production activities. The
             appointment of NIOs for Strategic Programs and Conventional
             Forces will assure that requirements for national intelligence

To meet this goal I will, with respect to Economic Intelligence:

-- identify during the second quarter of FY 1974 the
current needs of the users of foreign economic intelligence;

-- determine, in coordination with other Federal agencies,
what contribution the intelligence community can make in
this area;

-- determine appropriate resource levels and, through USIB,
assign responsibilities for collection and production in
this area;

-- provide for implementation of this program by the end of
the third quarter of FY 1974.

STATUS: The key needs of users of foreign economic intelligence
have been incorporated in the Key Intelligence Questions
for FY 1974. In addition, the economic topics and
priorities contained in the revised Attachment to
DCID 1/2 of 14 March 1974, were largely developed by a
special sub-group of the USIB Economic Intelligence
Committee and reflect the increased importance assigned
to economic intelligence by policymakers.

Under Secretary of the Treasury Volcker has been appointed
to represent the economic community on the NSCIC, and
an NIO for Economics has been appointed.

Rejuvenation of the Requirements Advisory Board (RAB)
as suggested by Mr. Cherne of PFIAB is under consideration,
probably as a special working group of the NSCIC chaired
by the NIO for Economics. This is part of a comprehensive
program or plan developed for the DCI to respond to all
of the tasks listed above. Other aspects of the plan
include ascertaining the potential scope and value of the
intelligence community's contribution and the rationalization
of the Government's overall collection effort in the area
of international economics, and the identification of
appropriate resource levels to devote to the economic
intelligence program. This plan also responds to the
PFIAB reports on economic intelligence of December 1971
and December 1973. The plan has been drafted by the IC
Staff, coordinated with CIA's Director of Economic Research
and with the NIO for Economics, and will be submitted
shortly to the DCI.

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To meet this goal I will, with respect to Narcotics and Terrorism:

-- in coordination with other Federal agencies, identify the
   needs for foreign intelligence in these areas, and match
   the unique capabilities of the intelligence community to those
   needs;

-- determine by January 1, 1974 the appropriate assignment of
   responsibilities and the resource levels which the community
   should devote to these problems.

STATUS: The increased importance of intelligence on illicit
        narcotics traffic and international terrorism is
        reflected in the revised Attachment to DCID 1/2,
        and in the Key Intelligence Questions for FY 1974.
        Comprehensive narcotics intelligence requirements
        have been disseminated to appropriate US missions
        overseas by the Cabinet Committee on International
        Narcotics Control (CCINC).

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CIA bears primary responsibility for providing intelligence
support to the Cabinet Committee Working Group on
International Terrorism and disseminating materials
as appropriate to US missions overseas and to
97 foreign security and intelligence services. Support
from the US intelligence community has contributed
directly to the thwarting of at least eight specific
terrorist operations involving non-US targets, and
indirectly to countering an undetermined but certainly
far larger number.

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